

# Corporation Filings Automation Saves Arkansas Secretary of State \$124,212

<b>Category:</b>	Improving State Operations
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# Executive Summary

The Corporation Filings Automation Project (CFAP) is a game-changing feature enhancement to an existing portal Corporation Filings system that automatically files thousands of submitted forms into a backend system without the need for paper copies or manual data entry. As part of the enterprise approach to the state portal, automation has dramatically streamlined operations for the Secretary of State's office and saved the agency and businesses a considerable amount of time and money in processing forms.

Corporation Filing forms—64 variants of 29 different forms—have been available online since June 2002 and were originally developed to simplify a paper-centric filing process for both business owners and the Secretary of State Business & Commercial Services Division (BCS). The Corporation Filings process was simple: Business owners complete the portal web forms, which were then emailed to BCS staff for entry into the backend system. More than 185,000 forms have been processed through the email system since 2002 – roughly 25,000 forms each year. This was an improvement over the over the previous process, which required business owners to mail or hand-deliver paper forms to BCS for processing.

However, staff were printing the emailed forms—approximately 72,144 sheets of paper each year—and then entering the submitted data into the backend system. BCS employees were spending more than 2,064 hours per year printing and manually entering filings. While the system was providing conveniences to business owners, it was neither eliminating the paper forms it was designed to reduce nor simplifying the process for the state. In addition to this, the previous process provided little in the way of real-time data validation, and as a result, thousands of submissions were rejected each year and had to be refunded and re-filed by the business owner.

In 2013, BCS invested in developing an automation enhancement to the portal Corporation Filing system. This feature integrates forms with a BCS backend system, instantly validates submitted data against roughly 60 fields, and automates most of the form filing process for the Secretary of State's office. To date, four forms that represent 71% of filing volume are automatically “dropped” into the enterprise backend system, where data is validated in real-time and employees are alerted when they need to review a questionable submission.

## Business Problem & Solution

Business owners had been completing required Corporation Filings online and submitting forms electronically to BCS, and employees had been printing the forms and then manually entering that information into a backend system.

BCS leadership analyzed the impact of filing forms this way and determined that each year the process cost the agency \$124,212:

- 2,064 hours of staff time valued at \$92,748
- 72,144 sheets of printed paper valued at \$10,824
- \$20,640 in postage
- 3-5 business days to respond to business owners with acceptance or rejection notices

CFAP was developed as a statewide portal enhancement to streamline this paper-centric Corporation Filings process and help the Secretary of State's office save time and money.

BCS developed a plan to integrate all 64 forms into the backend system to automate the filings process for employees. BCS identified four forms with the highest filing volume and began integrating those forms into the backend system in June 2013.

CFAP uses Web services to connect data submitted from forms on the Arkansas portal to an enterprise database system. Once in the backend, data is validated against 60 fields for accuracy. If any data is flagged as inaccurate, BCS staff is alerted to review the form submission in a Review Queue. If submissions pass the validation, they are automatically approved and the system generates an email to the business owner with a "file-marked copy" of the official record of filing – something BCS staff previously had to print and mail.

This innovation was needed to bring efficiencies to a cumbersome, paper-driven internal process that was costing the agency tens of thousands each year in printing costs and staff data entry time.

## Project Significance

This simple change to an existing process has resulted in significant savings and efficiencies for state government. Due to automation, BCS is able to process a greater volume of forms and payments without hiring additional full- or part-time staff. The division has cut its staff hours by two-thirds from six or seven minutes, to one or two minutes total per filing. The division was understaffed before CFAP went online and is now able to reduce its staff even further through attrition or reassignment to other responsibilities, if needed.

CFAP aligns with Governor Hutchinson's goal of reducing state government costs by leveraging technology to work more efficiently, and a result of the state's enterprise approach to the portal. The project also answers the Secretary of State's call for divisions and employees to find innovative ways to do more with less.

Key stakeholders included the agency and its employees, state government, business owners, and through successful process improvement and cost savings, citizens of Arkansas.

# Project Benefit

The Corporation Filings Automation Project brings significant benefits to state government at a whole. Even with just four of 64 Corporation Filing online forms integrated into the BCS backend so far, the agency is saving 2,064 staff hours each year (valued at \$92,748) and reducing its printing and postage expenditure by \$31,464, for a total average savings of \$124,212 each year. CFAP's total development cost was \$40,800. A complete return on investment was realized within the first four months of project launch.

These savings and efficiency gains enable the agency to do more with less. It can handle more work without hiring more full-time or part-time seasonal employees, make better use of its budget appropriation, or even reduce its expenditure, which directly benefits taxpayers.

## **Key Benefits:**

- Eliminates the need for staff to manually enter data
- Reduces time staff spends reviewing submitted information
- Reduces volume of emails and phone calls from business owners
- Improves BCS response time by several days
- Improves business owners' experience with state government
- Shortens the refund timeframe for rejected filings
- Fully electronic communication from initial filing to acceptance by the SOS
- Saves BCS in administrative, paper and postage costs
  - Saves staff 2,064 hours per year, estimated at \$92,748
  - Eliminates 72,144 sheets of paper each year, estimated at \$10,824
  - Saves \$20,640 in postage costs each year
- Results in an average annual savings of \$124,212 to the state